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October 10, 2012

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

SUBJECT: **NOTIFICATION OF INTENT TO ENTER INTO SIX SOLE SOURCE CONTRACTS AND REQUEST DELEGATED AUTHORITY TO APPROVE INCREASES OR DECREASES OF GREATER THAN 10 PERCENT OF THE TOTAL CONTRACT AMOUNT**

This is to notify you that the Department of Public Health (DPH) intends to: (1) request delegated authority to execute 19 new HIV/AIDS Ambulatory/Outpatient Medical (AOM) contracts; (2) enter into six new sole source contracts for Medical Care Coordination (MCC) services; (3) request delegated authority to increase or decrease funding up to 25 percent above or below each contract's annual base maximum obligation; and (4) request an additional exceptional circumstance provision for the 19 AOM contracts allowing an increase or decrease in funding up to 75 percent above or below each contract's annual base maximum obligation.

This notice is being sent in accordance with Board of Supervisor's Policy 5.100, which requires advance notice when entering into negotiations for Board-approved sole source contracts in excess of \$250,000; and Board Policy 5.120, which states that prior Board notice is required for any department requesting delegated authority to increase Board-approved contracts by over 10 percent.

Background

The Ryan White Program (RWP) is administered by the U.S. Department of Health and Human Services (DHHS), Health Resource and Services Administration (HRSA), HIV/AIDS Bureau. The RWP is the largest federal program focused exclusively on HIV/AIDS care, and is for individuals living with HIV/AIDS who have no health insurance (public or private), have insufficient health care coverage, or lack financial resources to get the care they need for their HIV disease. As such, the RWP fills gaps in care not covered by other funding sources.

DPH currently has contracts with agencies to provide the following service categories: AOM services, mental health psychiatric services, early intervention services, benefit specialty services, oral healthcare services, medical case management, therapeutic monitoring program, and medical specialty services (MSS).

Beginning March 2010, DPH conducted a Request for Proposals (RFP) process for MSS and AOM services. On August 21, 2012, the Board granted DPH approval to enter into contracts with agencies identified through the RFP process to provide MSS services. In a Board letter scheduled for October 31, 2012, DPH will request approval to enter into contracts with 19 agencies that were identified through the RFP process to provide AOM services. These contracts will be effective November 1, 2012 to February 28, 2015 and are fully offset by RWP funds.

In order to ensure medical care coordination (MCC) services are offered at all AOM sites, DPH proposes to enter into separate contracts with the same 19 agencies identified to provide AOM services to provide MCC services as well. Thirteen of those agencies have been providing MCC services under current contracts, and therefore do not require a sole source contract. The remaining six agencies will be new MCC providers and therefore DPH proposes to enter into sole source contracts with them (see Attachment).

Justification for Sole Source Agreements

MCC services were not included in the RFP that DPH released in March 2010 because neither the Los Angeles County Commission on HIV (COH) Standards of Care nor the staffing requirements for MCC services were completed. Since then, the COH has included in the Standards of Care a requirement that all AOM sites must offer MCC services. In order to comply with this mandate, DPH proposes to enter into contracts for MCC services with the 19 agencies identified to provide AOM services. As previously mentioned, thirteen of these agencies currently provide MCC services; six do not. Therefore, DPH proposes to enter into sole source contracts with these six agencies.

In addition to complying with the COH mandate, providing MCC services at all AOM sites supports the HIV medical home model of care and is key in achieving viral load suppression and maximizing health outcomes. Specifically, co-location of these services will allow the agencies to do the following: coordinate clinical and supportive services; promote retention and adherence to complex medical regimens; address patients' barriers to receiving care; and provide access to other onsite wrap-around services.

Justification for Delegated Authority to Increase or Decrease Funding Amounts

DPH is requesting a 25 percent delegated authority for the 19 MCC contracts. This will enable DPH to amend these contracts to allow for the provision of additional units of services that are above the service level identified in the current contract and/or the inclusion of unreimbursed eligible costs, based on the availability of grant funds and grant funder approval. Since these are new contracts, proposed funding for each agency is based on an estimated number of patients and their current acuity level, and uses a standardized staffing pattern and staff budget allocations. Therefore, it may be necessary to increase funds due to the underestimated number of patients and/or the acuity level of the clients, resulting in a need to hire additional staff to provide services to more patients.

For the 19 AOM contracts, a 25 percent delegated authority is also requested for reasons listed above. In addition, DPH is requesting an exceptional circumstance provision allowing delegated authority up to 75 percent in the unlikely event that progress toward health care reform is slowed or halted (either locally or by the federal government), or the local low-income health plan, Healthy Way LA, is not able to enroll qualifying patients with HIV into the plan. In the event of the above circumstances, the 75 percent provision would also allow DPH to continue supporting AOM service at the current level using RWP funds, eliminating any potential gap in availability of crucial medical care.

While DPH is under no obligation to pay a contract or beyond what is identified in the original executed contract, DPH may determine that the contractor has provided evidence of eligible costs for qualifying contracted services, and that it is in the County's best interest to increase the maximum contract obligation as a result of receipt of additional grant funds or a determination that funds should be reallocated.

This recommendation has no impact on net County cost. DPH will continue to seek County Counsel review and approval on all delegated authority actions, with the notification to your Board and the Chief Executive Office.

Timeline

The Board letter requesting approval to enter into sole source contracts and delegated authority is projected for the Board meeting on October 30, 2012. If you have any questions or would like additional information, please let me know.

Attachment

JEF:mmc

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES - DEPARTMENT OF PUBLIC HEALTH
DIVISION OF HIV AND STD PROGRAMS
HIV/AIDS MEDICAL CARE COORDINATION (MCC) ALLOCATIONS
FUNDING SOURCE: RYAN WHITE PROGRAM (RWP) PART A

Contractor and Agreement Number		Term 1 (Year 22) 11/1/12 - 2/28/13	Term 2 (Year 23) 3/1/13 - 2/28/14	Term 3 (Year 24) 3/1/14 - 2/28/15	Total Awarded Maximum Obligation	Service Planning Area(s) Served	Supervisory District(s) Served
SOLE SOURCE CONTRACTS							
1	Central City Community Health Center PH-Pending	\$ 19,500	\$ 58,500	\$ 58,500	\$ 136,500	6	1, 2
2	Childrens Hospital Los Angeles PH-Pending	\$ 39,000	\$ 117,000	\$ 117,000	\$ 273,000	4	3
3	EI Proyecto del Barrio, Inc PH-Pending	\$ 39,000	\$ 117,000	\$ 117,000	\$ 273,000	2	3
4	St. John's Well Child and Family Center PH-Pending	\$ 19,500	\$ 58,500	\$ 58,500	\$ 136,500	6	2
5	The Los Angeles Gay & Lesbian Community Services Center PH-Pending	\$ 494,720	\$ 1,484,161	\$ 1,484,161	\$ 3,463,042	4	3
6	Venice Family Clinic PH-Pending	\$ 39,000	\$ 117,000	\$ 117,000	\$ 273,000	5	2, 3

NON-SOLE SOURCE CONTRACTS

7	AIDS Healthcare Foundation PH-Pending	\$ 286,257	\$ 858,771	\$ 858,771	\$ 2,003,799	2 - 8	1 - 4
8	AltaMed Health Services Corporation PH-Pending	\$ 68,677	\$ 206,032	\$ 206,032	\$ 480,741	3, 7	1
9	City of Long Beach, Department of Health & Human Services PH-Pending	\$ 153,919	\$ 461,757	\$ 461,757	\$ 1,077,433	8	4
10	City of Pasadena, Public Health Department PH-Pending	\$ 175,497	\$ 526,490	\$ 526,490	\$ 1,228,477	3	5
11	East Valley Community Health Center PH-Pending	\$ 77,794	\$ 233,382	\$ 233,382	\$ 544,558	3	1, 5
12	JWCH Institute, Inc. PH-Pending	\$ 19,500	\$ 58,500	\$ 58,500	\$ 136,500	6	2, 4
13	Miller Medical Center, PH-Pending	\$ 52,876	\$ 158,627	\$ 158,627	\$ 370,130	8	4
14	Northeast Valley Health Corporation PH-Pending	\$ 69,285	\$ 207,856	\$ 207,856	\$ 484,997	2	3
15	St. Mary Medical Center PH-Pending	\$ 98,458	\$ 295,374	\$ 295,374	\$ 689,206	8	4
16	Tarzana Treatment Center, Inc. - SPA 2 PH-Pending	\$ 39,000	\$ 117,000	\$ 117,000	\$ 273,000	2	3, 5
17	T.H.E. Clinic, Inc. PH-Pending	\$ 44,367	\$ 133,100	\$ 133,100	\$ 310,567	6	2
18	Valley Community Clinic PH-Pending	\$ 43,151	\$ 129,454	\$ 129,454	\$ 302,059	2	3
19	Watts Healthcare Corporation PH-Pending	\$ 44,367	\$ 133,100	\$ 133,100	\$ 310,567	6	2
TOTAL					\$ 3,519,443	\$ 8,212,034	